



**CAC Item C6**  
**Staff Report Item 12**

<b>To:</b>	Ava Community Energy Authority
<b>From:</b>	Sam Sadle, Principal Legislative Manager
<b>Subject:</b>	Approval of Staff Recommended Legislative Positions
<b>Date:</b>	April 15, 2026

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**Summary/Recommendation**

Since 2019, Ava staff has worked to implement the Board approved Legislative Program. The Legislative Program provides a framework for staff to identify, assess, track, and (with Board approval) take advocacy-related action regarding proposed legislation.

Ava staff recommends the Board adopt a “**support**” position on three bills:

- **Senate Bill 222 (Wiener)** - Streamlines permitting for installations of residential heat pump water and HVAC systems;
- **Senate Bill 1168 (McNerney)** - Establishes new surcharges on natural gas consumption by large data centers, with revenues collected to be directed toward wildfire costs currently embedded in customer rates; and
- **Assembly Bill 2266 (Schultz)** - Requires the use of a consistent method across regulatory proceedings for calculating how much reliability value different energy resources provide, so that short-term, mid-term, and long-term procurement programs all count resources the same way.

Ava staff recommends the Board adopt a “**support if amended**” position on five bills:

- **Senate Bill 868 (Wiener)** - Sets rules for “plug in” or “balcony” solar systems;
- **Senate Bill 913 (Becker)** - Allows aggregated distributed resources to serve as Resource Adequacy capacity;
- **Assembly Bill 1577 (Bauer-Kahan)** - Requires monthly reporting on data center energy usage;

- **Assembly Bill 1975 (Schultz)** - Establishes a “grid utilization metric” that calculates load as a percentage of rated distribution capacity; and
- **Assembly Bill 2389 (Irwin)** - Extends a property tax exemption for customer-sited solar.

### **Financial Impact**

- **SB 222 (Wiener) – Support:** Unlikely to have a direct fiscal impact on Ava.
- **SB 1168 (McNerney) – Support:** Unlikely to have a direct fiscal impact on Ava. May reduce bill surcharges for Ava customers.
- **AB 2266 (Schultz) – Support:** Possible reduction in regulatory reporting costs.
- **SB 868 (Wiener) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava. Depending on how the legislation is implemented, it may increase available resources for virtual power plant initiatives.
- **SB 913 (Becker) – Support if Amended:** Depending on how the program is implemented it may lessen Resource Adequacy compliance costs.
- **AB 1577 (Bauer-Kahan) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava.
- **AB 1975 (Schultz) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava. May lead to a lessening of transmission and distribution charges for Ava customers.
- **AB 2389 (Irwin) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava. Depending on how the legislation is implemented, it may increase available resources for virtual power plant initiatives.

### **Analysis and Context**

- **SB 222 (Wiener) – Support:** If passed, SB 222 would standardize and streamline local permitting for residential heat pump water heaters and heat pump HVAC systems, in part, by requiring an option for asynchronous inspections and online automated permitting. The bill would support the State’s target of installing six million heat pump systems by 2030, an objective the State is currently set to miss by roughly two million units. In 2025, Ava supported SB 282 (which contained largely the same language). This bill supports Ava’s electrification-related policy objectives.
- **SB 1168 (McNerney) – Support:** If passed, SB 1168 would impose surcharges on electricity and natural gas consumption by large data centers. Revenues collected would fund wildfire-related costs currently embedded in customer rates. The bill aims to ensure that rapidly growing data center loads contribute to system costs and affordability programs. SB 1168 supports Ava’s affordability objectives and the State’s decarbonization goals.

- **AB 2266 (Schultz) – Support:** AB 2266 would require the California Public Utilities Commission (PUC), when setting certain resource adequacy and resource procurement obligations for load-serving entities such as Ava, to use a single capacity valuation method to assess the reliability contribution of each resource type. The bill would also require the Commission, to consolidate certain compliance reporting. The current system of multiple standards across multiple obligation types adds unneeded complexity and increases regulatory costs. Ava has supported this type of standardization in regulatory forums. AB 2266 supports Ava’s affordability objectives by decreasing compliance costs.
- **SB 868 (Wiener) – Support if Amended:** SB 868 would legalize small-scale “plug in” or “balcony” solar installations and under certain conditions exempt these installations from participating in the interconnection process. To be eligible, systems must not exceed a maximum output of 1,200 watts, align with National Electric Code standards and Underwriters Lab certification, and feature a mechanism that isolates the device from the building’s electrical system to prevent back feeding. The bill also prohibits a utility from requiring utility permission for the device or utility fees for installing the system or the electricity generated by it. The bill does allow utilities to require customers to notify the utility of the address and size of the portable solar generation device. Ava recommends using this bill as an opportunity to promote the evolution of residential self-generation systems. Pairing “plug in” and “balcony” solar with storage maximizes its value, making it potentially eligible for Ava’s Virtual Power Plant initiative. Accordingly, staff recommends that Ava condition its support for the bill on amendments that would require eligible portable solar devices to be paired with storage.
- **SB 913 (Becker) – Support if Amended:** SB 913 would require the PUC to “enhance existing market-integrated pathways” for distributed energy resources (DERs) to qualify as Resource Adequacy (RA) capacity and authorize load serving entities (LSEs), such as Ava, to include distributed capacity resources in RA filings and PUC-ordered procurement. SB 913 aligns with Ava’s policy priorities related to customer affordability, decarbonization, and promoting local development by allowing aggregated DERs (such as those enrolled in a Virtual Power Plant (VPP) program) to receive compensation based on the capacity value they provide to the grid and enable LSEs to count aggregated DERs toward RA compliance. These reforms have the potential to incentivize DER adoption and VPP participation, reduce emissions, and lower customer bills through avoided capacity procurement and infrastructure buildout. However, Ava staff supports amending the bill to ensure DERs are eligible to be used for RA compliance obligations with the same status as traditional RA products.
- **AB 1577 (Bauer-Kahan) – Support if Amended:** AB 1577 would require the PUC to establish a process for data centers to submit specified energy and water usage data monthly. The bill would also require the PUC, as part of the 2029 edition of the integrated energy policy report, to include an assessment of electrical load trends for data centers and annually publish the information submitted in an anonymized and

aggregated format. AB 1577 supports Ava’s decarbonization policy objective by requiring transparent public reporting. However, Ava staff recommends pursuing an amendment to allow adequate reporting timelines to ensure the Agency does not inadvertently run afoul of new reporting obligations due to forces outside of the Agency’s control.

- **AB 1975 (Schultz) – Support if Amended:** AB 1975 requires the PUC to establish a “grid utilization metric” that calculates electrical load as a percentage of rated distribution capacity and creates performance-based incentives and Investor-Owned Utility (“IOU”)-run programs for utilities to meet annual minimum grid utilization metrics. AB 1975 supports Ava’s affordability objective by supporting increased utilization of the existing distribution grid to avoid unnecessary infrastructure costs and support customer affordability. However, staff supports improving AB 1975 through the inclusion of amendments that ensure Community Choice Aggregators (CCAs) can be rewarded for supporting greater grid utilization through demand response and load flexibility.
- **AB 2389 (Irwin) – Support if Amended:** AB 2389 would extend the “newly constructed” property tax exemption for customer-sited solar systems of 2MW or less and for new systems that are sited on the property of a public entity from 2026 to 2031. The California Constitution generally limits the maximum property tax rate to 1% of the appraised value of the property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. Existing property tax law excludes any “active solar energy system” (including storage) from the definition of “newly constructed” through the 2025–26 fiscal year. This means that if a property owner installs a new solar system or adds to an existing system, that action alone would not trigger a new property assessment. As discussed in connection with AB 868, incentives for self-generation should be technology-forcing. Accordingly, staff recommends Ava condition support of AB 2389 on a requirement that solar installations be paired with battery storage to qualify for the property tax exclusion.

### **Committee Recommendation**

This matter was discussed at the April 10 Marketing, Regulatory, and Legislative Subcommittee meeting.

### **Attachments**

- A. Resolution in Support of SB 222, SB 1168, AB 2266 and Support if Amended of SB 868, SB 913, AB 1577, AB 1975, and AB 2389
- B. SB 222 Fact Sheet
- C. SB 1168 Fact Sheet
- D. AB 2266 Fact Sheet
- E. SB 868 Fact Sheet
- F. SB 913 Fact Sheet

- G. AB 1577 Fact Sheet
- H. AB 1975 Fact Sheet
- I. AB 2389 Fact Sheet
- J. Presentation - "2026.04.15 Board Item 13 2026 California Legislative Position Recommendations"

**RESOLUTION NO. R-2026-XX**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE AVA COMMUNITY ENERGY AUTHORITY IN**  
**SUPPORT OF**

**SB 222 (WIENER), SB 1168 (MCNERNEY), AND AB 2266 (SCHULTZ) AND**  
**SUPPORT IF AMENDED SB 868 (WIENER), SB 913 (BECKER), AB 1577**  
**(BAUER-KAHAN), AB 1975 (SCHULTZ), AND AB 2389 (IRWIN)**

**WHEREAS** Ava Community Energy Authority (“Ava”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, under the Joint Exercise of Powers Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of Ava and parties to the Joint Powers Agreement (“JPA”) in March of 2020. The city of Stockton was added as a member to Ava in September of 2022. The city of Lathrop was added as a member to Ava in October of 2023. San Joaquin County was added as a member to Ava in July 2024. On October 24, 2023, Ava legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception;

**WHEREAS** the California state legislature considers numerous legislative proposals throughout the year that can have a beneficial or negative impact on Ava and our customers;

**WHEREAS** Ava’s Legislative Program was first adopted in 2019 and has been updated frequently since then;

**WHEREAS** Ava seeks to advance policy positions on a variety of issues including rate affordability, transmission affordability, managing data center growth, utility scale decarbonization, industrial and large load decarbonization, distributed energy resources, transportation electrification, dynamic rates, among others; and

**WHEREAS** the 2026 state legislative session is ongoing and bills are moving through the legislative process.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF AVA COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The Board of Directors hereby expresses its support for Senate Bill 222 (Wiener), Senate Bill 1168 (McNerney), and Assembly Bill 2266 (Schultz).

Section 2. The Board of Directors hereby expresses its support if amended for Senate Bill 868 (Wiener), Senate Bill 913 (Becker), Assembly Bill 1577 (Bauer-Kahan), Assembly Bill 1975 (Schultz), and Assembly Bill 2389 (Irwin).

ADOPTED AND APPROVED this 15th day of April, 2026.

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Betsy Andersen, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board



## Senator Scott Wiener, 11<sup>th</sup> Senate District

### SB 222- Heat Pump Access Act

#### SUMMARY

SB 222, the Heat Pump Access Act, saves Californians on energy bills, reduces indoor air pollution, mitigate the effects of extreme weather, and reduces greenhouse gas emissions by improving access to safe heat pump water heater and HVAC systems.

SB 222 requires automated permitting for standard heat pump water heater and HVAC installations, streamlining the permitting process for a key affordability and climate technology.

#### BACKGROUND/EXISTING LAW

Heat pumps are a win-win-win climate solution— they provide efficient, cost-saving, zero-emission cooling and heating that can displace dirty and hazardous fossil fuel furnaces with a single appliance.

Because heat pumps are highly energy efficient, the average household in the US can save nearly \$400 a year by switching to a heat pump.<sup>1</sup> When paired with solar and/or battery systems, and outfitted with demand response capabilities, heat pumps can save residents even more.

Water and space heating through gas water heaters and furnaces are responsible for the majority of greenhouse gas emissions from residential buildings. Buildings— including both residential and commercial — are responsible for 25% of California’s greenhouse gas emissions. . To be on track for meeting California’s climate goals, at least 20% of existing buildings will need to convert their fossil-powered appliances to electric alternatives by 2030.<sup>2</sup>

Replacing these gas appliances with highly efficient electric heat pump devices not only reduces emissions but also improves the health and safety of buildings. According to the Rocky Mountain Institute (RMI), a heat pump installed in California today will cut emissions from space heating by 93% over the lifetime of the equipment compared to a gas furnace. By replacing oil and propane heating systems, heat pumps can reduce harmful pollutants like carbon monoxide, NO<sub>2</sub>, and volatile organic compounds both inside the home and in the air outside.<sup>3</sup> Heat pumps also provide potentially life-saving AC as our climate warms, regulate humidity, and automatically filter air to boost air quality indoors.

California has already taken action to reduce permit barriers for homeowners seeking to electrify and decarbonize their homes. State laws mandate automated permitting processes for solar photovoltaics and home batteries ([Senate Bill 379](#), Wiener, 2021), require expedited solar permitting and restrict reasons for denying solar permits ([Assembly Bill 2188](#), Muratsuchi, 2014), and limit high fees for solar permits ([AB 1132](#), Friedman, 2023). For electric vehicle charging stations, California requires an expedited and simplified permit process focused solely on a health and safety review ([AB 1236](#), Chiu, 2015), and limits jurisdictions to a simple nondiscretionary permit type ([AB 970](#), McCarty, 2021).

Heat pumps have yet to receive such streamlining — despite heat pump contractors regularly citing time-consuming and cost-driving complexities associated with local permitting and despite ambitious clean air rules and state climate targets

<sup>1</sup> A Guide to Cutting Costs with Heat Pumps | Rewiring America

<sup>2</sup> Neumann, Ingrid. “Key Building Decarbonization Strategies towards California Climate Goals.” PowerPoint

presented at Redwood Energy Zero Carbon Retreat, January 21, 2021

<sup>3</sup> American Lung Association, “Literature Review on the Impacts of Residential Combustion,” July 2022

setting the stage for enormous heat pump growth. In 2023, the Bay Area Air Quality Management District (AQMD) passed a rule to require newly installed space and water heaters to be zero-emission. CARB is considering similar rules for residential customers. Similarly, Governor Newsom has set a building decarbonization goal of installing 6 million heat pumps statewide by 2030.

#### **PROBLEM**

Meeting California's climate goals will require a considerable wave of residential heat pump appliances to be installed quickly and cost-effectively over the coming years. However, a patchwork of burdensome local permitting requirements adds cost, time, and hassle to these clean appliance retrofits. In interviews, heat pump installers say that a number of barriers at the local level are slowing installations of heat pump equipment, including long inspection wait times, local architectural requirements, wide variations in requirements across jurisdictions, high permit fees, and the need to obtain multiple permit types for a water heater installation.

These burdensome requirements can drive up the cost of installations for homeowners, and limit the time that qualified contractors have to work on other projects, further tightening the supply of labor available to meet increasing demand for heat pumps and other appliances. Because public rebate and direct install programs for heat pumps require permit verification, onerous permit requirements risk impacting the efficiency of hundreds of millions in funding for heat pumps, much of which is targeted toward low-income customers. This problem is costly for California - a recent Energy Commission study estimated that permitting noncompliance for the 2022 Energy Code will cost the state \$2.8 billion.

California has only 5 years left to install over 4 million heat pumps in order to meet Governor Newsom's ambitious target of installing 6 million heat pumps statewide by 2030.

#### **SOLUTION**

Heat pump permitting must be modernized in line with other pro-climate technologies to improve access to a cost-saving technology and meet California's ambitious climate goals.

This bill would streamline heat pump permitting and ensure California meets its climate goals by:

1. Mandating automated permitting for standard Heat Pump installations
2. Prohibiting HOAs from imposing architectural review on clean appliance installations
3. Requiring a maximum of one permit for heat pump water heater installations
4. Prohibiting excessive setbacks, noise restrictions, or documentation requirements on heat pump installations
5. Capping fees for heat pump permits to the reasonable cost of providing service

#### **SUPPORT**

- **Building Decarbonization Coalition, Sponsor**
- **San Francisco Bay Area Planning and Urban Research Association (SPUR), Sponsor**
- **Bay Area Air District, Sponsor**
- 350 Humboldt Action
- 350 Sacramento
- AO Smith Corporation
- Active SGV
- California Environmental Voters
- California Association of Sheet Metal and Air Conditioning Contractors National Association
- California Center for Sustainable Energy
- California Climate Action
- California State Pipe Trades Council
- Carbon Free Palo Alto
- Carbon Free Silicon Valley
- Carrier Global Corporation
- Center for Biological Diversity
- Citizens Climate Lobby Long Beach
- Climabridge
- Climate Action California
- Climate Health Now Action Fund
- Climate Reality Project, Orange County Chapter
- Climate Resolve
- Earthjustice
- Efficiency First California
- Electrify My Home

- Evergreen Action
- Green Building Initiative
- LG Electronics USA
- Mothers Out Front Silicon Valley
- Natural Resources Defense Council (NRDC)
- QuitCarbon
- Redwood Energy
- RRI: Resource Renewable Institute
- RAMP: Regional Asthma Management & Prevention
- Resource Renewal Institute
- Rewiring America
- San Diego Building Electrification Coalition
- San Francisco Climate Emergency Coalition
- StopWaste
- The Climate Center
- Western States Council of Sheet Metal Workers
- US Green Building Council

**FOR MORE INFORMATION**

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# Senate Bill 1168

## Data Centers Pay Their Fair Share

Senator Jerry McNerney (SD 5)

### THIS BILL

Californians pay some of the highest utility rates in the country. And rates are expected to climb even higher with the rapid development of data centers, because they require large amounts of energy and often cause utilities to spend ratepayer dollars on infrastructure upgrades.

SB 1168 would protect Californians from bearing the costs associated with data centers in their communities. This bill would impose an energy usage surcharge on electricity and natural gas use by data centers and use that money to pay down the largest driver of rate increases – wildfire spending.

### ISSUE

Silicon Valley innovation has been a driver of the state's economy, providing economic growth, general fund revenue, and jobs to the state. But the industry's need for huge amounts of data processing power has led to growth in data centers in California and around the nation. [According to DataCenterMap](#), California is home to the third largest number of data centers in the United States.

The California Independent System Operator (CAISO) expects data center load to grow by 2.3 gigawatts by 2030. The CA Energy Commission reports in their [2025 Integrated Energy Policy Report \(IEPR\)](#) that data centers have requested 18.7 GW of new power over the next several years, [enough to power 18 million homes](#). PG&E alone expects 10 GW of new load from data centers in the next 10 years.

This rapidly increasing demand for power, along with the need for transmission and distribution upgrades to deliver that power, could raise utility rates for all ratepayers. Californians are already paying the second-highest price for energy bills in the nation, due to wildfire mitigation, extreme heat, and catching up on deferred maintenance by the state's investor-owned utilities.

According to the Public Advocate's Office of the Public Utilities Commission, wildfire costs are one of the biggest drivers of utility rates, making up between 10 percent to 24 percent of total investor-owned utility revenue requirements.

According to Stanford University, [over \\$37 billion was spent on AI infrastructure in 2024 alone](#). Another report from McKinsey estimated an investment total of [\\$5.2 trillion in data centers by 2030](#) to power artificial intelligence. This level of investment shows that AI companies and investors have the means to cover their own costs without harming all ratepayers. Funding wildfire costs, one of the main drivers of utility rates, is one way of offsetting data centers' cost to society.

### SOLUTION

SB 1168 would:

- Impose an excess energy usage surcharge on data centers over 20 MW
- Use the surcharge funds to pay down wildfire related costs included in rates, leading to cost savings for residential ratepayers

### CONTACT

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## AB 2266 – CPUC Power Procurement Process Streamlining

### Summary:

Determinations of how much energy is necessary to meet California’s power needs are currently performed via a patchwork of separately enacted clean energy programs. AB 2266 directs the CPUC to streamline these planning decisions into one cohesive workflow, to use consistent methodologies across all programs, and to improve accountability through a yearly evaluation of the real-world impact of their calculations on actual energy purchases.

### Background:

Reliability is the backbone of what keeps the lights on in California. When wildfires, heat waves, or climate change-induced weather events push our power usage to its max, whether California’s energy providers bought enough power makes all the difference.

Reliability of energy supply is currently influenced by three separate CPUC programs: the [Renewables Portfolio Standard](#) program, the [Integrated Resource Plan](#), and the [Resource Adequacy](#) program. As a result, determinations are performed in separate programs using separate calculations.

The agency does its best to collaborate and share across programs, but such complex filings are difficult to track and have different standards against which they are measured. This overlap creates inefficiencies, increases the likelihood for over or under-calculations, and results in longer processes, all of which cost California ratepayers.

With the substantive foundation for clean energy policy already laid, the next step is to streamline the regulatory processes and integrate the three major procurement programs to ensure consistency, increase confidence in reliability determinations, and reduce costs for ratepayers.

### **Problem #1: Reliability is assessed across multiple CPUC programs, workflows, and reports.**

**Solution #1:** Create consistent reliability assessments by streamlining reliability evaluations to a single compliance reporting workflow. This bill directs the CPUC to begin the process of consolidating the inter-related reliability

components of these statutes into a central procurement compliance filing. It does not dictate the precise process. Instead, it gives the CPUC flexibility – and almost 4 years – to develop and implement a centralized reporting and compliance review workflow.

### **Problem #2: Different CPUC programs use different reliability valuation methods.**

**Solution #2:** Improve accountability by using consistent evaluation methods across all procurement programs. This bill creates internal and cross-program consistency by directing the CPUC to use the same capacity valuation – the technical term for how reliable a particular power source is when needed by the grid operator – across all programs when evaluating short-, mid-, and long-term reliability power needs.

### **Problem #3: CPUC and the California Independent System Operator (CAISO) use different valuation methods for reliability.**

**Solution #3:** Require the CPUC to do an after-the-fact analysis when the CAISO is required to use expensive backstop procurement to fill a reliability gap. The bill ensures accountability by directing the CPUC to yearly evaluate the root cause for the purpose of continuously improving the CPUC reliability program.

### Support:

### Contact:

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## Senator Scott Wiener, 11<sup>th</sup> Senate District

### SB 868 – Plug And Play Solar Act

#### SUMMARY

To save Californians on energy bills and increase the number of homes installing safe solar energy systems, Senate Bill 868, the Plug And Play Solar Act, streamlines approvals and establishes safety standards for portable solar energy devices. Plug-in solar, also known as balcony solar, are portable solar energy devices that increase consumer access to safe, clean, and low-cost energy, especially on hot summer days when air conditioning needs are at their highest.

Portable solar energy devices are a win-win climate and energy affordability solution. SB 868 will cut red tape for this key affordability and climate-friendly technology, expand access to clean energy to renters and apartment dwellers, save Californians on energy bills, and help meet our state's ambitious greenhouse gas emissions reduction targets.

#### BACKGROUND/EXISTING LAW

Californians are faced with record high energy prices. Electricity rates for PG&E customers increased nearly 40% between 2022 and 2025 and increased 100% in the last decade.<sup>1</sup> As a result, Californians now pay higher rates for electricity than any other state except Hawaii.<sup>2</sup>

Solar arrays can lower energy costs for consumers and reduce reliance on investor-owned utilities. SB 868 expands those options to even more households, especially for renters, condo owners, and those with older or shaded roofs.

California has long been a leader in the transition to clean energy. Senate Bill 379 (Wiener, 2022) boosted safe solar energy system installations in homes by requiring certain-sized jurisdictions to provide an online instant solar permitting process.

Rooftop solar systems have been a major driving force behind California's clean energy transition. Portable solar energy devices, also known as "plug-in" or "balcony" solar, while smaller and therefore less powerful, offer a new way for consumers to generate safe, clean and low-cost electricity using California's abundant sunshine. The portability of these devices makes them ideal for many different types of consumers especially renters with access to a patch of sunlight on a balcony, patio, or small backyard.

This exciting technology consists of a few movable solar panels along with an integrated microinverter that allows the system to plug directly into a standard outlet where the solar electricity flows backwards, through the existing wires, to immediately power other appliances within the home, such as air conditioners, computers and lights, and refrigerators.

Where a rooftop solar system tends to be 5,000-10,000 watts in size for a typical home, plug-in solar systems are much smaller, sized around 400-1200 watts. These systems can cover up to 1/5<sup>th</sup> of a household's average energy usage, and with prices starting at \$500, offer an affordable solution that can reduce energy costs and allow a broad range of people to directly access the benefits of solar energy.

Because they are so small and mobile, plug-in solar systems provide a new entry point and more flexibility to access clean affordable energy, especially renters. An estimated 44% of California households are renters, a larger percentage than every state except New York. And, while the rooftop solar market serves hundreds of thousands of rental units, plug-in solar systems are an additional and

<sup>1</sup> San Francisco Chronicle, "PG&E rates actually going down in 2026. Here's how much," December 30, 2025

<sup>2</sup> San Francisco Chronicle, "California electricity prices now second-highest in U.S.: 'Everyone is getting squeezed,'" May 2, 2024

powerful tool for expanding access to clean energy in the Golden State.

Plug-in solar has already taken off in Europe. In Germany, consumers facing high power prices and energy-security concerns have installed an estimated four million plug-in systems, adding multiple gigawatts of distributed clean energy. With California's superior sunshine and high energy costs, the potential for this technology to take off here is even greater.

Despite the small scale of these systems and their potential to save consumers significant funds, utilities like PG&E are pushing for plug-in solar systems to require full interconnection agreements, as they would for large-scale utility solar projects.

Portable solar energy devices have also begun to advance in other parts of the United States. In 2025, Utah enacted H.B. 340, a bipartisan law unanimously approved by the Legislature that exempts portable plug-in solar devices from the full interconnection process, which in turn has encouraged companies to begin selling plug-in systems in the state and to plan expansions to other states with supportive policies. Similar legislation has recently been introduced in states like Vermont, Virginia, Maryland, New Hampshire, Pennsylvania, and New York.

### PROBLEM

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California consumers need immediate relief from rising energy bills. Growing the market for portable solar devices will create economies of scale that will lower per unit costs making clean energy even more affordable for more consumers.

While portable solar energy devices are a safe and lower-cost solution for consumers, unnecessary utility red tape adds prohibitive costs and has delayed the adoption of this critical technology.

California utilities treat even very small customer-sited solar systems as if they are large arrays triggering complex multi-page interconnection agreements, expensive building permits, and time-consuming utility approvals. All this red tape makes installing plug-in solar more expensive and time-consuming, effectively cutting off consumer access.

While plug-in solar is now widespread in Europe and emerging in other U.S. states, these systems have not taken off in California due in part to these challenges and uncertainty around consumer ease of access.

### SOLUTION

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By treating qualifying plug-in solar systems as simple, household appliances rather than full-scale power plants, the bill will unlock a new market for affordable, DIY solar among renters and apartment dwellers who are otherwise stuck with the high costs charged by their utilities.

Allowing access to these cost-saving clean energy devices will reduce peak demand especially on hot summer days when air-conditioning loads are high while also supporting California's efforts to cut greenhouse gas emissions and protect public health.

Meanwhile, by establishing statewide safety standards, the bill will ensure consumers have access to safe, high-quality plug-in solar systems.

In sum, SB 868 lowers consumer energy bills, diversifies energy resources, reduces strain on the electric grid, and helps cut air pollution by:

- Defining a portable solar energy device as a small device that meets a consumer's on-site electricity needs;
- Establishing mandatory safety standards for a portable solar energy device;
- Prohibiting unnecessary red tape;
- Driving economies of scale for portable solar energy devices to help lower costs for all consumers.

### SUPPORT

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- **Environmental Working Group, Sponsor**
- **The Abundance Network, Co-Sponsor**
- Bright Saver
- California Public Interest Research Group (CALPIRG)
- California Solar & Storage Association (CALSSA)
- Center for Biological Diversity
- Environment California
- Solar Rights Alliance

- The Climate Center
- Caroline Torosis, Mayor, City of Santa Monica
- 350 Bay Area Action
- US Green Building Council
- Quantum Energy
- Greenbank Associates
- QuitCarbon
- Indivisible Santa Cruz County
- 350 Humboldt
- Samuel Lawrence Foundation
- West Orange County
- Clean Coalition
- Glendale Environmental Coalition
- Recolte Energy
- Albany Climate Action
- Our Green Challenge
- Vote Solar
- SocioEnergetics Foundation
- Climate Action Campaign
- Climate Action Mendocino
- Center for Community Energy
- Climate Crisis Workgroup of Grassroots Institute
- Third Act Sacramento
- Neighbors for Progressive Action
- Elders Climate Action NorCal Chapter
- 350 Conejo/San Fernando Valley
- Citizens' Climate Lobby
- SCV Eco Alliance
- GRID Alternatives
- Long Beach Alliance for Clean Energy
- Active San Gabriel Valley
- Orange County Environmental Justice
- Healing and Justice Center
- Pasadena-Foothills Chapter of Citizens Climate Lobby
- Acterra: Action for a Healthy Planet
- Greenbank Associates
- West Berkeley Alliance for Clean Air and Safe Jobs
- Laudate Deum Prayer Network for Climate Healing
- 350 Berkeley Hub
- California Alliance for Community Energy
- City of Santa Monica
- Climate Health Now Action Fund
- Community Renewable Solutions LLC
- Democratic Club of West Orange County
- Elders Climate Action (ECA) Southern California (SoCal) Chapter
- Greenpeace USA
- Humboldt Progressive Democrats
- Local Clean Energy Alliance
- Local Government Sustainable Energy Coalition
- Pacifica Climate Committee
- Pacifica Housing For All (PH4A)
- Project Green Home
- Reclaim Our Power: Utility Justice Campaign
- Sonoma County Climate Activist Network (SoCoCAN!)
- Sustainable Mill Valley
- Sustainable San Mateo County
- Sustainable Systems Research Foundation
- The Energy Coalition
- Third Act San Francisco Bay Area
- Third Act SoCal
- Western Center on Law and Poverty

**FOR MORE INFORMATION**

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Phone: 961-651-4541



## Senator Josh Becker, 13<sup>th</sup> Senate District

### SB 913 – Clean Local Power Act

#### **SUMMARY**

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SB 913 creates an improved pathway for customer-owned resources (e.g., home batteries, electric vehicles, thermostats), to compete fairly with other resources (e.g., peaker plants, diesel generators) to offer the least cost option for providing reliability to the electric grid.

#### **BACKGROUND**

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A key driver of increasing electricity rates has been the urgent need to increase the capacity of the electric grid to handle new customers and growing load. The California Energy Commission (CEC) projects an increase in electricity demand of 42-61% over the next two decades.<sup>1</sup>

However, the grid reaches its maximum capacity for only a few hours on the hottest days of the year. During those hours the California Independent System Operator (CAISO) calls on old, polluting peaker plants to meet peak demand and avoid blackouts. Clean, customer-owned “distributed resources” could help the grid handle peak demand instead – with less pollution and at lower cost – but outdated rules have created barriers to organizing these customer-owned resources and using them to their full potential.

Millions of California homes already possess technologies that can help the grid during peak demand events: smart thermostats, electric vehicle chargers, battery storage, and others. These devices can be coordinated and aggregated to provide electricity and reduce energy use during hours of peak demand. And the numbers are growing every day: the CPUC reports that over 8,000 customer batteries totaling more than 100 megawatts (MW) are installed monthly, adding enough capacity *every month* to replace a peaker plant.

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<sup>1</sup> [California Energy Commission 2025-2045 Demand Forecast](#)

Currently, more than 1000 MW of these distributed resources support the grid by participating in CAISO’s markets through the CEC’s Demand Side Grid Support Program (DSGS), and the potential capacity to support the grid is growing every day as Californians install smart thermostats, EV chargers, and other controllable devices. DSGS has been much more successful at scaling up participation than traditional “Resource Adequacy” (RA) programs governed by the Public Utility Commission (PUC) because the CEC has tested innovative approaches to remove barriers and to allow customer-owned resources to maximize their contributions, including:

- making the enrollment process much simpler
- allowing participants to enroll multiple devices (i.e., their thermostat and their EV) instead of limiting participation to a single device per customer
- monitoring performance at the device level (e.g., how much power a battery is providing) rather than only at the utility meter
- allowing devices to export power back to the grid rather than limiting devices to reducing the building’s load to zero.

#### **PROBLEM**

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DSGS has been very successful at providing critical emergency capacity to support the grid, funded by taxpayers (rather than ratepayers) as part of the Strategic Reliability Reserve. The challenge is that as funding for DSGS remains uncertain over the coming years, we risk losing access to all this low-cost capacity from customer-owned resources unless the traditional PUC-governed RA participation models adopt the innovations that were tested and proven out by DSGS. That could leave huge amounts of low-cost capacity sitting untapped in Californians’ homes at a time when we need cheaper ways to support the grid and lower electricity bills.

As the state plans for more load growth, we need to allow all types of resources, including customer-owned resources, to compete on a level playing field to support the grid in the least costly way. Shifting customer-owned resources from a taxpayer-funded emergency program into normal RA participation models is smart policy in the long run, but only if the RA program adopts the innovations proven out by DSGS to give customer-owned resources an easier way to participate and compete to provide the best value to the grid.

### **EXISTING LAW**

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Current law requires electricity providers to purchase RA to meet their peak demand forecast and directs CPUC to establish rules for what can be counted as RA. However, current rules prevent customer-owned resources from being compensated for exporting energy to the grid, and requirements for participation and measuring performance are prohibitive and discourage participation in the RA program.

### **THIS BILL**

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SB 913 updates existing rules to align them more closely to those which have allowed the DSGS program to successfully scale up participation of customer-owned resources. Specifically, the bill levels the playing field by ensuring rules don't create barriers to customer enrollment, allowing customers to enroll multiple devices, allowing performance to be monitored at the device level, and allowing customers to export energy back to the grid. By increasing market competition, and enrolling resources that Californians have already invested in themselves, these updates will help defer the types of infrastructure investments that are rapidly increasing electric rates.

To meet increasing demand California can either build, build, build at the expense of ratepayers or it could make better use of the existing resources that Californians have already purchased and are available to help, if they can just be signed up and coordinated. SB 913 will ensure we make the best use of those customer-owned resources

by modernizing existing programs to integrate these resources better.

### **SUPPORT**

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The Climate Center (Co-sponsor)  
 Environment California (Co-sponsor)  
 350 Bay Area Action  
 350 Humboldt  
 Active San Gabriel Valley  
 Advanced Energy United  
 California Alliance for Community Energy  
 California Efficiency + Demand Management Council  
 California Solar and Storage Association  
 CALPIRG  
 Center for Biological Diversity  
 Center for Community Energy  
 Center for Environmental Health  
 Ceres  
 Clean Coalition  
 CleanEarth4Kids.org  
 Climate Action California  
 Climate Action Campaign  
 Climate Health Now Action Fund  
 Community Environmental Council  
 Deploy Action  
 Derapi  
 Environmental Defense Fund  
 Environmental Protection Information Center  
 Environmental Working Group  
 Ev.energy  
 Immaculate Heart Community Environmental Commission  
 Leap  
 Local Clean Energy Alliance  
 NextGen California  
 Pesticide Action and Agroecology Network  
 Qcells  
 Reclaim Our Power: Utility Justice Campaign  
 Santa Cruz Climate Action Network  
 Sierra Club California  
 Silicon Valley Youth Climate Action  
 Solar Energy Industries Association  
 Solar United Neighbors Action  
 Tesla, Inc.  
 The Energy Coalition  
 Uniting the Central Coast for Action, a Program of the SLO Climate Coalition  
 USGBC California  
 Voltus, Inc.

Vote Solar

**FOR MORE INFORMATION**

Erika.Romero@sen.ca.gov

# FACT SHEET



ASSEMBLYMEMBER  
**Rebecca Bauer-Kahan**  
 DISTRICT 16



## AB 1577 – Data Center Energy Accountability Act

### Summary

AB 1577, the Data Center Energy Accountability Act, improves grid reliability by creating statewide transparency standards around data center energy usage and efficiency.

### Background

The rapid development of the artificial intelligence (AI) industry is fueling a boom in data center construction in California. These facilities, which house the servers and hardware needed to train and operate advanced AI, require vast amounts of electricity. According to a recent commentary from the Public Utility Commission’s Public Advocates Office:

“As demand for data center services grows, companies are racing to develop new facilities as quickly as possible. Interconnecting these data centers to the grid poses risks for ratepayers because of the enormous infrastructure costs required to serve them. These costs may ultimately be passed on to all ratepayers, especially if the facilities use less energy than projected or shut down before the utility has recovered its associated interconnection costs. Data centers are unique in their extraordinary energy intensity, consuming 10 to 50 times more energy per square foot than a typical commercial office building. Data center developers in California increasingly plan to develop facilities with loads exceeding 50 to 100 megawatts at a single site – roughly the equivalent of the residential energy use of Santa Rosa or Huntington Beach.”<sup>1</sup>

The California Energy Commission helps ensure California’s energy infrastructure is ready to meet the needs of its population and economy by analyzing trends in energy consumption and

forecasting future demand. Accurate facility-level data is essential to this work, particularly for energy-intensive buildings such as data centers. The Commission also establishes energy efficiency standards for buildings, appliances, and industrial processes, with the goal of reducing energy waste, lowering greenhouse gas emissions, and promoting sustainability.

### Problem

The rapid expansion of the AI industry is driving the construction of large, energy-intensive data centers across California. The resulting growth in energy demand, combined with the grid infrastructure development needed to serve these facilities, risks increasing energy costs for Californians. At present, California lacks accurate statewide information on how many data centers exist, where they are located, how much electricity and water they consume, how efficiently they operate, and how they affect California’s power grid. This information gap limits the ability of state and local agencies to plan infrastructure, evaluate efficiency opportunities, and protect ratepayers.

### What the Bill Does

AB 1577 requires data centers to report specified energy usage and efficiency information to the California Energy Commission on a monthly basis, consistent with transparency frameworks established under the European Union’s Energy Efficiency Directive, and requires proposed data centers to provide estimated information to local agencies prior to beginning construction.

### Support

Audobon California  
 California Initiative for Technology &  
 Democracy

<sup>1</sup> [How Will Data Center Growth Impact California Ratepayers?](#)

City of Monterey Park  
Little Hoover Commission

**Contact**

Slater Sharp | Senior Consultant

[Slater.Sharp@asm.ca.gov](mailto:Slater.Sharp@asm.ca.gov)

(916) 319-2673



## AB 1975 – Electric Rate Reduction Through Grid Utilization

### Summary:

AB 1975 reduces electricity rates by requiring utilities to make better use of the electric grid we have already built and paid for. The bill requires the state's three investor-owned utilities to measure and increase grid utilization through load flexibility programs.

### Background:

Utilities have traditionally expanded the electric grid whenever they estimate there may be a need to deliver more energy. With electrification and data centers, this need could increase faster than ever, driving up electric rates.

Expanding substations and upsizing other components on the electric grid is expensive, pushing up rates. By comparison, building highways large enough so there is never a rush hour slowdown would be extremely expensive. Grid expansion is also slow. Utilities may not be able to expand the grid fast enough, at any cost, to enable transportation and building electrification at the needed scale. A modern solution is needed to handle our increasing electrical needs at the lowest cost, via resources with the least environmental impact, and at a pace that works.

However, clean, distributed customer devices can be operated in coordinated fleets to balance electricity supply and demand within the constraints of the grid. The timing of electric vehicle charging can be flexible without impacting the needs of drivers. Batteries installed on houses, campuses, and other buildings throughout California can be networked and dispatched remotely in response to grid needs. Building energy controls for appliances such as heat pumps and HVAC can adjust the timing of electricity consumption. These assets all create grid flexibility.

Grid flexibility uses existing grid capacity more efficiently. Many circuits operate significantly below

capacity most of the time, and at full capacity for only a small number of hours per year. Expanding the size of grid equipment to serve a small number of hours of higher use wastes ratepayer dollars. We can get more out of the grid we have already paid for by harnessing batteries and appliance controls in the hours when usage peaks.

Utilities favor grid expansion over modern flexibility approaches because their profits are a percentage of dollars spent on the grid. Given expected increases in consumption, there will still be plenty of need for grid expansion even with extensive flexibility programs. However, utilities have been sidelining flexibility programs to limited pilots. Legislation is needed to require them to bring those programs to scale.

### AB 1975:

- Requires the CPUC to create a grid utilization metric and to establish minimum standards for the state's three investor-owned utilities under that metric each year; and
- Requires the utilities to establish load flexibility programs that encourage customers to shift their electricity consumption from the grid to off-peak hours, increasing grid utilization and reducing the cost of grid upgrades.

### Support:

Environment California (sponsor)

### Contact:

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Office of Assemblymember Nick Schultz  
916.319.2044  
[jim.metropulos@asm.ca.gov](mailto:jim.metropulos@asm.ca.gov)



## AB 2389 (Irwin) Keeping Solar Affordable



### **SUMMARY**

AB 2389 extends California's property tax exclusion for customer-sited solar energy systems through January 1, 2032, preserving a crucial incentive that promotes energy affordability, solar adoption, and progress toward California's energy goals.

### **BACKGROUND**

Customer-sited solar energy systems are a vital tool for managing rising electricity costs. These systems are a form of distributed energy resources located close to where electricity is used, rather than relying on large, centralized power plants. By producing electricity locally these resources strengthen grid reliability and reduce the need for costly transmission infrastructure.

In 1980, Californians approved Proposition 7, establishing a property tax exclusion for solar energy systems. This exclusion applies to both directly owned systems and those financed through third-party arrangements such as leases and power purchase agreements (PPAs). These financing models are widely used by public entities and schools as 87% of public schools rely on third-party financed solar projects.

The exclusion is set to sunset on January 1, 2027, effectively triggering property tax reassessments for solar installations. This couldn't come at a worse time as the 30% federal tax credit incentive for residential solar has phased out. State policies, including this property tax exclusion, have historically helped keep solar adoption financially accessible during periods of rising energy costs.

Customer-sited solar also plays a crucial role in helping California achieve its goal of 100% clean electricity by 2045. Of the 7,000 megawatts (MW) of clean energy interconnected to the grid in 2024, 23%

came from customer-sited solar and storage. Maintaining incentives that support continued adoption will be critical to ensuring these distributed energy resources remain a significant contributor to the state's clean energy transition.

### **NEED FOR THIS BILL**

If the Legislature fails to extend this property tax exclusion, consumers will face higher annual property tax assessments when installing solar energy systems, discouraging investment in clean energy. Schools and local governments who lease solar energy systems from third parties will also face higher costs, even though as public entities they are excluded from property taxes as their third-party partners will incur property tax assessments that will be factored into future lease agreements. Reduced adoption of customer-sited solar and battery storage will also weaken distributed energy resources that support grid affordability for all Californians.

### **THIS BILL**

AB 2389 extends California's property tax exclusion for an additional five years. The bill applies to customer-sited solar energy systems up to 2 megawatts, all solar energy systems installed on property owned by schools and other public entities, and battery storage systems installed alongside qualifying solar. By preserving the exclusion, the bill ensures these systems do not trigger higher tax assessments, therefore, keeping distributed energy resources financially accessible.

### **SUPPORT**

Environment California

### **CONTACT**

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# 2026 California Legislative Session: Recommended Bill Positions

Sam Sadle, Kendall Downie, Dominic Faria – April 15, 2026



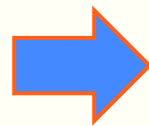
# 2026 California Legislative Timeline

<p><b>January</b></p> <p>5: Legislature reconvenes 10: Governor submits budget</p>	<p><b>February</b></p> <p>20: Bill introduction deadline</p>	<p><b>March</b></p>	<p><b>April</b></p> <p>24: Policy cmtes move fiscal bills to fiscal cmtes (1st chamber)</p> <p><b>We are here</b></p>
<p><b>May</b></p> <p>1: Policy cmtes move non-fiscal bills to floor (1st chamber) 29: Last day for bills to be passed by 1st house</p>	<p><b>June</b></p> <p>15: Budget bill must be passed</p>	<p><b>July</b></p> <p>2: Policy cmtes move bills to fiscal cmtes or floor (2nd chamber)</p>	<p><b>August</b></p> <p>14: Fiscal cmtes move bills to floor (2nd chamber) 31: Last day for each chamber to pass bills</p>
<p><b>September</b></p> <p>30: Last day for Governor to sign/veto bills</p>	<p><b>October</b></p>	<p><b>November</b></p>	<p><b>December</b></p>

# 2026 Bill Review

California legislators  
proposed **~1,800 bills**

February 20<sup>th</sup>



Ava legislative team is  
monitoring **~80 bills**

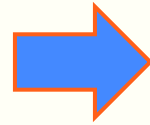
Ongoing

"The purposes [of Ava]... include securing electrical energy supply for customers in participating jurisdictions, addressing climate change by **reducing energy related greenhouse gas emissions**, **promoting electrical rate price stability**, and **fostering local economic benefits** such as jobs creation, community energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional and local solar and wind energy production."

[Ava Community Energy's Joint Powers Agreement](#)

# 2026 Bill Review

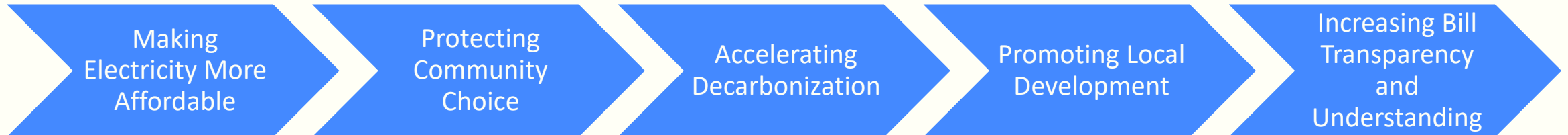
Ava legislative team is monitoring **~80 bills**



Cross-functional analysis of **33 bills**  
(Internal, CalCCA, Board)

Ongoing

March



[Ava Community Energy Legislative Platform](#)

# 2026 Bill Review

Cross-functional analysis of  
**33 bills**  
(Internal, CalCCA, Board)



Staff recommends Board take  
a position on **8 bills**

**March Board Meeting**

**Today**

1. Directly impacts our operations or legislative program.
2. Supports the JPA's vision of an affordable, sustainable, and local energy ecosystem and has broad-based support.
3. Ava's perspective has specific resonance with key decisionmakers and could impact the legislative language or path forward.

# Staff Recommended Positions:

## Support:

### **SB 222 (Wiener)**

Streamlines permitting for residential heat pump water heaters and HVAC systems

### **SB 1168 (McNerney)**

Establishes new surcharges on natural gas use by data centers

### **AB 2266 (Schultz)**

Standardizes RA valuation across multiple procurement programs

## Support If Amended:

### **SB 868 (Wiener)**

Sets rules for "plug in" solar system

### **SB 913 (Becker)**

Allows aggregated DERs to serve as RA capacity

### **AB 1577 (Bauer-Kahan)**

Requires monthly data center energy use reporting

### **AB 1975 (Schultz)**

Establishes "grid utilization" metric and associated incentives

### **AB 2389 (Irwin)**

Extends property tax exemption for customer solar

# Staff Recommended Positions:

**Oppose**

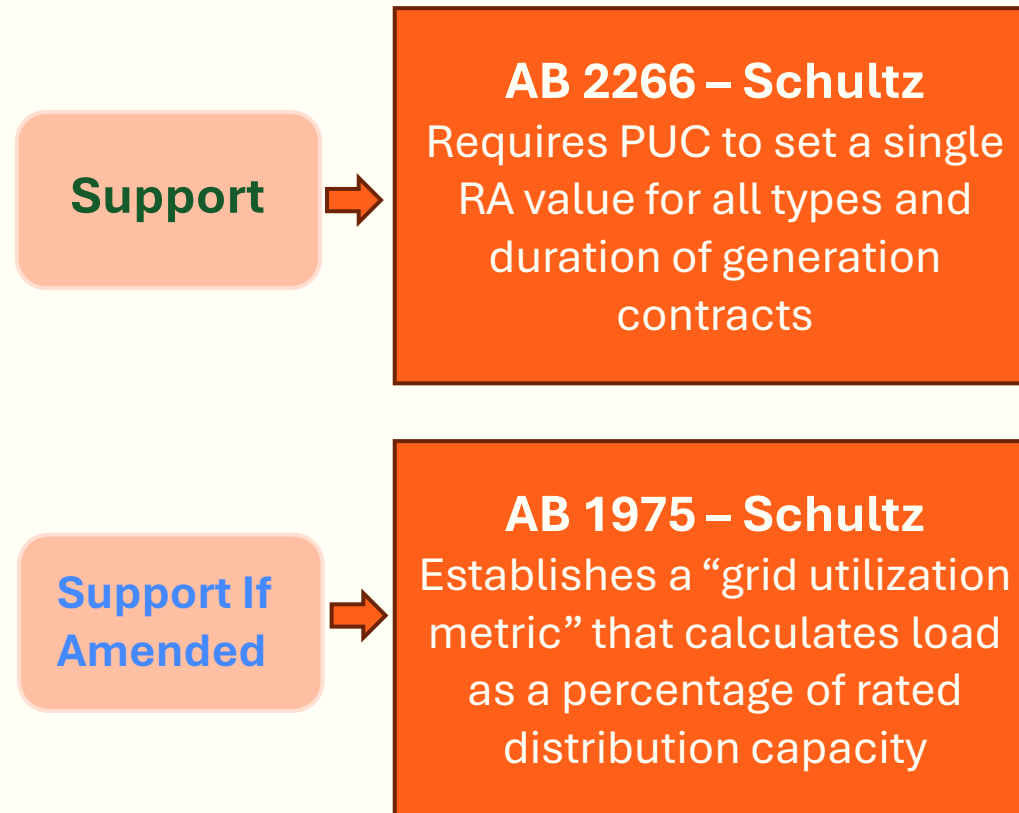


**Oppose Unless Amended**



# Making Electricity More Affordable

## Rate affordability via PUC process and consideration changes



# Making Electricity More Affordable

## Rate affordability via PUC process and consideration changes

### **AB 1975 Electrical corporations: grid utilization metric (Schultz):**

- Requires the PUC to establish a grid utilization metric to measure electrical load as a percentage of system capacity; requires IOUs to publicly report on that metric; sets increasing minimum utilization targets; and establishes performance-based incentives or disincentives, while requiring utilities to propose programs to meet those targets.

**Proposed amendments:** Ensure CCAs can participate in and benefit from grid utilization programs while preventing IOU-only implementation.

#### Support:



#### Oppose:

(None yet registered)

#### Staff proposed action:

**Ava** Community Energy

Support if Amended  
AB 1975  
(Schultz)

# Making Electricity More Affordable

## Rate affordability via PUC process and consideration changes

### **AB 2266 Electricity: load-serving entities (Schultz):**

- Requires the use of a consistent method across regulatory proceedings for calculating how much reliability value different energy resources provide, so that short-term, mid-term, and long-term procurement programs all count resources the same way.
- Requires the PUC to consolidate specified compliance reporting requirements and to provide additional reporting on the use of backstop procurement authority.

### **Support:**

(None yet registered)

### **Oppose:**

(None yet registered)

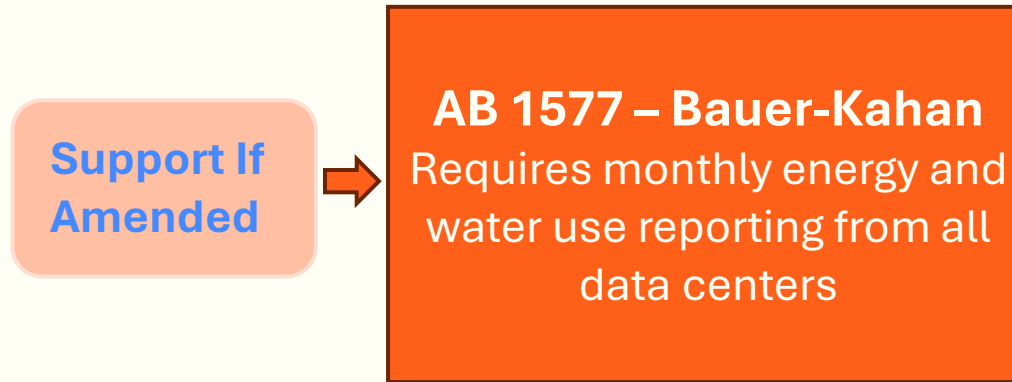
### **Staff proposed action:**



Support  
AB 2266  
(Schultz)

# Protecting Community Choice

## Managing data center growth



# Protecting Community Choice

## Managing data center growth

### AB 1577 Data Centers: reporting (Bauer-Kahan):

- Requires the Energy Commission to establish a process for data center owners to submit monthly reports on energy and water usage, including specified operational metrics. Would also require the CEC to publish aggregated data and incorporate data center load trends into future energy policy reports, and would require similar information to be provided to local agencies for planning and environmental review purposes, while protecting confidential customer information.

**Proposed Amendments:** Align reporting timelines with IOU-to-CCA data flows and prevent penalties for delays outside LSE control to ensure feasible implementation.

### Support:



### Oppose:



### Staff proposed action:



# Accelerating Decarbonization

## Supporting industrial and large load decarbonization

**Support**



### **SB 1168 – McNerney**

Imposes a surcharge on all gas generation used by data centers and use funds to support wildfire costs

# Accelerating Decarbonization

## Supporting industrial and large load decarbonization

### **SB 1168 Data centers: natural gas and electricity: surcharges (McNerney - Coauthor Pérez):**

- This bill imposes annually set surcharges on electricity and natural gas consumed by data centers, including energy used to generate power for them. It requires utilities to collect these charges and deposits the revenues into a dedicated fund to help offset wildfire-related costs currently embedded in customer rates.

#### Support:

(None yet registered)

#### Oppose:

(None yet registered)

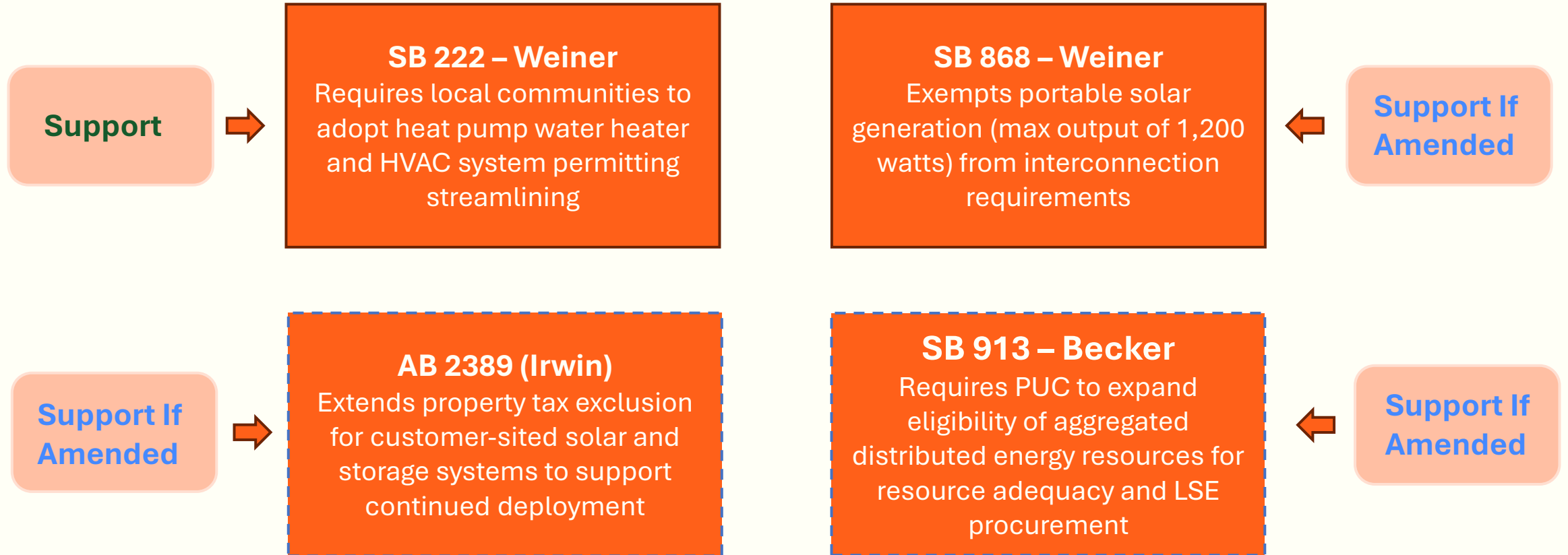
#### Staff proposed action:



Support  
SB 1168  
(McNerney)

# Promoting Local Development

## Distributed Energy Resources



 Entirely new bill text

# Promoting Local Development

## Distributed Energy Resources

**SB 222 Residential heat pump systems: water heaters and HVAC: installations (Wiener - Coauthors: Allen, Becker, and Stern):**

- Standardizes and streamlines local permitting for residential heat pump water heaters and heat pump HVAC systems, including by requiring an option for asynchronous inspections and online automated permitting. The bill would support the State's target of installing six million heat pump systems by 2030, an objective the State is currently set to miss by roughly two million units.
- In 2025, Ava supported SB 282 (Wiener) which was largely the same language.

### Support:



### Oppose:



### Staff proposed action:

**Ava** Community Energy

Support  
SB 222  
(Wiener)

# Promoting Local Development

## Distributed Energy Resources

**AB 2389 (Property taxation: active solar energy systems: customer sited: extension (Irwin - *Principal coauthor: McNerney, Coauthor: Blakespear*):**

- Extends the property tax exclusion for certain customer-sited solar energy systems, including systems up to 2 megawatts and those located on public entity property, through January 2032.

**Proposed amendments:** Require new solar systems to include battery storage to qualify for the exemption, while preserving eligibility for existing and resilience-focused projects.

### Support:



### Oppose:



### Staff proposed action:

**Ava** Community Energy

Support if Amended  
AB 2389  
(Irwin)

# Promoting Local Development

## Distributed Energy Resources

**SB 868 Electricity: portable solar generation devices (Wiener - Coauthors: Arreguín, Becker, McNerney, Connolly, and Ward):**

- Exempts portable solar generation devices from interconnection requirements and prohibits IOUs and POUs from imposing fees or other related requirements. Authorizes utilities to require basic notification of device installation through a simple registration process, as specified.

**Proposed amendments:** Require storage pairing and modern inverter standards for plug-in solar while maintaining basic oversight to protect grid reliability and mitigate cost impacts.

### Support:



### Oppose:



### Staff proposed action:



# Promoting Local Development

## Distributed Energy Resources

### **SB 913 Resource adequacy: aggregated distributed capacity resources (Becker):**

- Requires the PUC to enhance pathways for aggregated distributed energy resources to qualify as resource adequacy capacity and to allow load-serving entities to include those resources in resource adequacy compliance and procurement. Also requires coordination with state agencies and the ISO to update market participation frameworks to support aggregated distributed capacity resources.

**Proposed amendments:** Enable aggregated DERs as RA capacity while preserving CCA procurement flexibility and avoiding any implicit DER procurement mandate.

### Support:



### Oppose:

(None yet registered)

### Staff proposed action:

**Ava** Community Energy

Support if Amended  
SB 913  
(Becker)

# Increasing Bill Transparency and Understanding

None

Other

None

# What comes next? Legislative session

## First house

- **April 24:** First house policy committee deadline (fiscal)
- **May 1:** First house policy committee deadline (non-fiscal)
- **May 15:** First house Appropriations suspense deadline
- **May 29:** First house passage deadline

## Budget

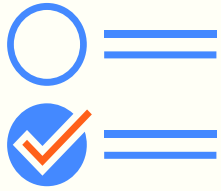
- **May 14:** Governor's budget revise
- **June 15:** Budget deadline
- **May to August:** Budget trailer and cleanup hearings

## Second house

- **July 2:** Second house policy committee deadline
- **August 14:** Second house Appropriations suspense deadline
- **Aug 31:** Second house floor passage deadline
- **September 30:** Veto/signature deadline

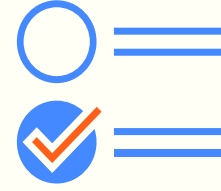
# What comes next? Bill review and positions

## April Board meeting



- **Two action items:**
  - Propose annual updates to the [Ava Legislative Program](#)
  - Propose bill positions (*Support, Support If Amended, Oppose Unless Amended, Oppose*) to MRL, CAC, and Board

## May Board meeting



- **Possible action items:**
  - Propose additional bill positions (if needed) (*Support, Support If Amended, Oppose Unless Amended, Oppose*) to MRL, CAC, and Board

# Full Universe of Ava Monitored Bills

<a href="#">AB 13</a>	Ransom (D)	PUC membership and reporting
<a href="#">AB 34</a>	Patterson (R)	Extends the authority of POU's to count large hydro towards RPS
<a href="#">AB 61</a>	Pacheco (D)	Require PAO to analyze ratepayer impacts of mandated programs
<a href="#">AB 705</a>	Boerner (D)	Creates independent PUC audit office
<a href="#">AB 706</a>	Aguiar-Curry (D)	Fire fuel reduction procurement program
<a href="#">AB 710</a>	Irwin (D)	Dynamic pricing and advanced metering mandate
<a href="#">AB 942</a>	Calderon (D)	Changes climate credit
<a href="#">AB 1016</a>	Gonzalez (R)	State certification exemption for geothermal power plants
<a href="#">AB 1020</a>	Schiavo (D)	Requires IOUs to report taxpayer funding
<a href="#">AB 1117</a>	Schultz (D)	Require IOUs to offer optional dynamic rate
<a href="#">AB 1156</a>	Wicks (D)	Updates farmland solar-use easement statute
<a href="#">AB 1577</a>	Bauer-Kahan (D)	Data Center Monthly Reporting
<a href="#">AB 1677</a>	Boerner (D)	Require IOUs to cut rates by 25%
<a href="#">AB 1738</a>	Carillo (D)	Requires local governments to offer remote inspections
<a href="#">AB 1761</a>	Rogers (D)	PCIA data transparency
<a href="#">AB 1774</a>	Boerner (D)	CPUC to audit past IOU wildfire spending before approving more

# Full Universe of Bills

<a href="#">AB 1774</a>	Boerner (D)	CPUC-conducted audit of IOU wildfire mitigation expenditures
<a href="#">AB 1787</a>	Schultz (D)	Require IOUs to offer a dynamic tariff if smart meter infrastructure is in place
<a href="#">AB 1791</a>	Sanchez (R)	Prohibits CARB from adopting regulations that would add consumer costs
<a href="#">AB 1813</a>	Ward (D)	Require CEC evaluation of renewable energy programs
<a href="#">AB 1942</a>	Bauer-Kahan (D)	Restrictions on class 2 and class 3 ebikes
<a href="#">AB 1975</a>	Schultz (D)	Grid utilization metric
<a href="#">AB 1995</a>	Patel (D)	State Fire Marshal lithium battery working group
<a href="#">AB 2057</a>	DeMaio (R)	Prohibits city and counties from implementing gas bans
<a href="#">AB 2111</a>	Papan (D)	Transmission planning alignment with affordability and FERC Order 1920
<a href="#">AB 2175</a>	Garcia (D)	Removes advanced electricity storage from smart grid deployment objectives
<a href="#">AB 2181</a>	Petrie-Norris (D)	Requires PUC commission diversity
<a href="#">AB 2182</a>	Irwin (D)	Creates IOU run industrial decarbonization program
<a href="#">AB 2234</a>	Papan (D)	CEQA exemptions for geothermal exploratory projects
<a href="#">AB 2239</a>	Carillo (D)	Infrastructure-constrained energization areas and IOU energization timelines
<a href="#">AB 2266</a>	Schultz (D)	RA valuation standardization
<a href="#">AB 2313</a>	Berman (D)	Require gas corporations to offer electrification incentives

# Full Universe of Bills

<a href="#">AB 2369</a>	Rogers (D)	Enables partial RA, allowing energy-only resources earn RA value
<a href="#">AB 2383</a>	Zbur (D)	Require creation of a large load customer class and rate schedule
<a href="#">AB 2389</a>	Irwin (D)	Extension of customer-sited solar tax exemption
<a href="#">AB 2396</a>	Irwin (D)	Authorizes CCAs to finance transmission infrastructure
<a href="#">AB 2408</a>	DeMaio (R)	Require all PPPs be detailed on bill and an annual report to each ratepayer
<a href="#">AB 2459</a>	Wallis (R)	Prevents withholding occupancy permits for nonprofits, re: EV Chargers
<a href="#">AB 2463</a>	Petrie-Norris (D)	Require PUC to study IOU return on equity
<a href="#">AB 2464</a>	Wicks (D)	Require PUC to study clean firm's role in 2045 goal
<a href="#">AB 2493</a>	Petrie-Norris (D)	Require IOUs to have an interconnection auditor
<a href="#">AB 2508</a>	Hoover (R)	Creates PPP vehicle to spend GGRF funds on EE programs run by RENs
<a href="#">AB 2516</a>	Petrie-Norris (D)	California Grid Manufacturing Initiative
<a href="#">AB 2518</a>	Sharp-Collins (D)	Requires SDG&E to prioritize and fast-track affordable housing energization.
<a href="#">AB 2589</a>	Irwin (D)	Requires PUC to analyze OBBBA and adjust rates to reflect impacts Require PUC to develop rates that do not impose an "unreasonable hardship" on low-income communities in hot climate zones
<a href="#">AB 2611</a>	Bains (D)	
<a href="#">AB 2612</a>	Schultz (D)	Building standards for plug-in solar systems
<a href="#">AB 2647</a>	Calderon (D)	Bans new nuclear power plants without fuel reprocessing capacity or adv tech

# Full Universe of Bills

<a href="#">AB 2688</a>	Zbur (D)	Spot bill – offshore wind
<a href="#">AB 2699</a>	Zbur (D)	Spot bill -- utilities
<a href="#">AB 2700</a>	Gallagher (R)	Requires a report to reduce electricity rates by at least 30%
<a href="#">AB 2710</a>	Bauer-Kahan (D)	Intent of legislature to make changes in IOU bankruptcy processes
<a href="#">AB 2748</a>	Quirk-Silva (D)	Revert EV regulations to 2022 state building code for BMR housing
<a href="#">AB 2762</a>	Boerner (D)	Spot bill -- rates
<a href="#">SB 222</a>	Weiner (D)	Heat pump water heater and HVAC system permitting streamlining
<a href="#">SB 327</a>	McNerney (D)	Prohibits IOUs from using ratepayer funds for advocacy activities related to municipalization
<a href="#">SB 330</a>	Padilla (D)	Transmission infrastructure financing pilots
<a href="#">SB 332</a>	Wahab (D)	Study breaking up IOUs
<a href="#">SB 453</a>	Stern (D)	Microgrid incentive program
<a href="#">SB 742</a>	Perez (D)	IOUs to remove unused transmission facilities
<a href="#">SB 842</a>	Stern (D)	Report on firm zero-carbon resources
<a href="#">SB 868</a>	Wiener (D)	Plug-in solar interconnection exemption
<a href="#">SB 875</a>	Wiener (D)	PG&E municipalization advancement

# Full Universe of Bills

<a href="#">SB 886</a>	Padilla (D)	Large load cost shift prevention
<a href="#">SB 887</a>	Padilla (D)	Large load CEQA application
<a href="#">SB 905</a>	Becker (D)	Utility Cost and Performance Reform
<a href="#">SB 913</a>	Becker (D)	Resource Adequacy for aggregated distributed capacity resources
<a href="#">SB 924</a>	Hurtado (D)	PUC to consider affordability when looking at home weatherization
<a href="#">SB 925</a>	McNerney (D)	Requires state strategy and permitting framework to advance fusion energy
<a href="#">SB 943</a>	Becker (D)	Industrial billing and NBC/TAC reform
<a href="#">SB 978</a>	Perez (D)	Special tariff for large load customers
<a href="#">SB 1035</a>	Strickland (R)	Suspend gas tax for one year
<a href="#">SB 1097</a>	Weiner (D)	Streamlines CEQA for grid upgrades and certain clean energy projects
<a href="#">SB 1138</a>	Padilla (D)	RA transactability
<a href="#">SB 1158</a>	Stern (D)	Adds status of utility transmission upgrades and electrical grid infrastructure to Reliability Planning Assessment
<a href="#">SB 1167</a>	Blakespear (D)	Clarifies ebike definition and bans advertising of non-eligible bikes
<a href="#">SB 1168</a>	McNerney (D)	Data center gas usage surcharge
<a href="#">SB 1187</a>	Durazo (D)	Brown Act meeting updates
<a href="#">SB 1215</a>	Cortese (D)	Require IOUs to 3x the number of multifamily level 2 and 3 chargers

# Full Universe of Bills

<a href="#">SB 1219</a>	Strickland (R)	Requires PUC to consider discontinuation of nonperforming EE programs within 180 days
<a href="#">SB 1233</a>	Allen (D)	Requires enhanced justification of CPUC findings tied to utility returns
<a href="#">SB 1245</a>	Stern (D)	Intent of legislature to address cost containment of renewable integration into grid
<a href="#">SB 1282</a>	Becker (D)	V2G standards
<a href="#">SB 1295</a>	Stern (D)	Requires PUC to consider procurement of 40GW of storage and allocate procurement to LSEs
<a href="#">Budget Trailer</a>	Dept of Finance	Reallocates outstanding funding from the Distributed Energy Backup Assets (DEBA) program to the Demand Side Grid Support (DSGS) program
<a href="#">Budget Trailer</a>	Dept of Finance	Transitions 2026 DSGS participants to the Emergency Load Reduction Program (ELRP) or an equivalent CPUC load reduction program.